

27 January 1956

MEMORANDUM FOR: Deputy Director (Support)

THROUGH: Deputy Director (Intelligence)

FROM: Assistant Director for Basic Intelligence

SUBJECT: Fiscal Support for Department of State
International Communism Project

REFERENCE:

- (a) DCI Approved Memorandum on International Communism dated 4 August 1955
- (b) Memorandum from the Acting Comptroller, CIA, to Acting Director, Executive Staff, Intelligence, Department of State, dated 30 December 1955
- (c) DD/I Memorandum for Record, Subject: "Conversation with Mr. W. Park Armstrong" dated 19 August 1955
- (d) State Department International Communism Supplemental Budget Fiscal Years 1956-1957

8

25X1A1a

1. In implementation of reference (a) the Acting Comptroller, CIA, has authorized the transfer of CIA funds in the amount of [REDACTED] to the Department of State for production of NIS on International Communism during the balance of Fiscal Year 1956 (reference b).

2. The import of reference (c) is that, while the question of budgetary support for this project beginning with FY-1958 is left open to further agreement between CIA and State, this Agency should furnish fiscal support of State's International Communism Program for Fiscal Year 1957. However, reference (d) was received too late to be incorporated in the regular CIA Budget for FY-1957.

3. It will be necessary, therefore, to make provision in the CIA Operating Budget for Fiscal Year 1957 for the sum of approximately [REDACTED] to be transferred to the Department of State in support of the International Communism Project.

25X1A1a

25X1A9a
[REDACTED]

Enclosures:

References (b), (c), (d)

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30 December 1955

MEMORANDUM FOR: Mr. E. C. Hollingsworth
Acting Director, Executive Staff, Intelligence
Department of State
Washington 25, D. C.

SUBJECT: Transfer of Funds for Intelligence Production
on International Communism

1. Reference is made to discussions between officials of this Agency and the Department of State in connection with the subject matter.

2. You are advised that an amount of 25X1A1a [REDACTED] has been approved as requirements for the balance of fiscal year 1956, and will be advanced upon receipt of a Standard Form 1080 voucher.

3. It is requested that this amount not be included in regular NIS funds and that separate reports on a monthly basis be furnished this Agency.

25X1A9a
/s/ [REDACTED]
Acting Comptroller

BD/COMP/CNM/TJH/arr (28 Dec 55)

Distribution:

Orig. & 1 - Addressee

- 2 - Fiscal (Charge Allot. Acct. 6-5801-20 Advance of Funds)
- 1 - Assistant Director, Office of Basic Intelligence
- 1 - Signer
- 2 - Budget
- 1 - V.D.

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Reference (b)

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19 August 1955

MEMORANDUM FOR RECORD

SUBJECT: Conversation with Mr. W. Park Armstrong

REFERENCE: DCI Approved memorandum on International Communism
4 August 1955

1. I stated to Mr. Armstrong that there was a feeling in CIA that the proposed subsidy should be reduced by the amount of compensation scheduled for NIS analysts put in for by OIR but denied them by the State Department or the Bureau of the Budget. I asked Mr. Armstrong how many people if any were involved. Mr. Armstrong assured me that the NIS personnel not only for International Communism but also for State's other production responsibilities on the NIS are not now, and never have in the past been, included in the budget of the R Section or the Department of State as a whole. Nor are the personnel involved charged against any departmental ceilings. The Bureau of the Budget fully understands that CIA budgets for these people as a contractual service and does not consider people involved to be chargeable against CIA personnel ceilings either.

2. I, therefore, believe that the comment of the Director is not workable and would not have been made had he been fully apprised of the facts. I also told Mr. Armstrong that the Director did not want to commit himself to this financial support for future fiscal years as he was inclined to keep open the question of whether or not State should budget for its own NIS production. I said I believed this was o.k. for 56-57 but meant that we should get together before State made any plans for Fiscal Year 1958.

/s/ Robert Amory, Jr.
ROBERT AMORY, JR.
Deputy Director/Intelligence

~~SECRET~~

Reference (c)

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STATE DEPARTMENT

INTERNATIONAL COMMUNISM SUPPLEMENTAL BUDGET

FISCAL YEARS 1956 - 1957

Additional Fiscal Year 1956 and 1957 funding for International Communism survey is estimated to be in the following amounts:

25X1A1a
Fiscal Year 1956
Fiscal Year 1957

International Communism Organization Study costs are computed on the basis of one organizational study representing the equivalent of 1.25 NIS sections. Fiscal Year costs for estimated completion of 2.5 equivalent sections at an average cost of 25X1A1a per section would be 25X1A1a

Each Special NIS Area Supplement would require the same production time as 7.75 NIS sections. Production of two studies per year equates to 15.5 sections for a cost requirement of 25X1A1a

25X1A1a At an approximate 1.60 man-years per section, with an average of per man-year, plus additional other object cost, the total Fiscal Year cost is again approximately 25X1A1a

25X1A1a A 45% lapse results in a Fiscal Year 1956 requirement of

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Reference (d)